

FISCAL NOTE

HB 2739 - SB 3573

January 28, 2008

SUMMARY OF BILL: Requires the Tennessee HOPE scholarship be awarded to nontraditional students retroactively for the semester hours they attempted in order to receive the scholarship; applies to nontraditional students initially becoming eligible for the scholarship in academic year 2008-2009 and academic years thereafter.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$517,000 in FY08-09 and by \$568,700 in FY09-10.

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), there were 226 non-traditional students who received \$444,000 in scholarship money for FY06-07.
- The average award to these non-traditional students was \$1,965 ($\$444,000 \div 226 \text{ students} = \$1,964.60$).
- The \$1,965 represented 51.7% of the full HOPE scholarship for FY06-07, which was \$3,800 ($\$1,965 \div \$3,800 = 51.7\%$).
- TSAC estimates there will be approximately 250 students who would qualify for the retroactive awarding of the HOPE scholarship as a result of this bill.
- The 250 students receive 51.7% of the full HOPE scholarship, which is now \$4,000.
- The increase of expenditures from lottery proceeds is estimated to be \$517,000 ($250 \text{ students} \times \$4,000 \text{ award} \times 51.7\% = \$517,000$) for the first year (FY08-09).
- TSAC estimates a 10% increase in recipients for FY09-10 (an additional 25 students).
- The increase of expenditures from lottery proceeds is estimated to be \$568,700 ($275 \text{ students} \times \$4,000 \text{ award} \times 51.7\% = \$568,700$) for the second year (FY09-10).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc